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Mahathir - car

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SHAH ALAM, July 16 (Bernama) Malaysia might go into joint venture with Daihatsu of Japan to produce an econo-car of 1,000 cc or less, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

A final decision would be made after viability studies were completed by the Japanese car manufacturing company, he added.

+At present, Daihatsu is undertaking the study based on guidelines provided by the government, + he told reporters after officiating the roll-out of the 300,000th Proton Saga and opening of the Proton engine and transmission plant here.

Asked to elaborate on the guidelines, Datuk Seri Dr Mahathir said emphasis would be given to the price of the proposed car because the government wanted it to be reasonably priced.

+If the price is too high, we cannot do it, + he added. -- more

♥16/07/15-54MST

CNS3083

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Mahathir - car 2 Shah Alam

He said this was necessary in order to enable the lower income group to own cars.

He did not agree that the government wanted to introduce a cheaper car because of the high price of the Proton Saga.

+Anywhere now, the emphasis is on having a car that is smaller and cheaper to be used as a second car or for urban use, + he said.

He said he was unable to say how much the car would cost or when the project would take off +because it depends on the outcome of the viability study being carried out.+

Asked why Proton itself did not undertake production of the econo-car, he said it would involve tremendous financial outlay.

Production of the econo-car was not meant to compete with Proton because they were of different engine capacities and he felt that there was a market for a more economical car. -- more

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Mahathir - car 3 Shah Alam

Earlier; asked to comment on the recent increase in prices of the Proton Saga, Datuk Seri Dr Mahathir said the national car was still priced lower than other cars of the same class.

He said he was proud of the success achieved by Proton so far for being able to produce a high number of units of high quality in a short period of time although initially it did not have the expertise in the automotive field.

+This shows the high capabilities of managers and workers in Malaysia in the engineering field which enabled Proton to compete with other cars anywhere, + he added.

Datuk Seri Dr Mahathir also said that high prices for locally-produced components were unavoidable because of the low volume produced compared with that of foreign manufacturers.

+But, in time, we will achieve economies of scale, + he added. -- Bernama

♥16/07/15-59MST